



Market showing signs of adjusting, but buyers still see double-edged sword

Home sales around Western Washington continued at a torrid pace during June, but a 10 percent year-over-year increase in new listings has some brokers with Northwest Multiple Listing Service suggesting a little relief may be emerging.

J. Lennox Scott, chairman and CEO of John L. Scott, Inc., described the market as "frenzy hot" in June, but suggested there was a "short breath of fresh air for homebuyers." He credits the combination of more inventory coming on the market and lower interest rates with bringing some "welcome relief to the backlog of buyers who have been waiting to purchase a home."

There were fewer multiple offers for each new listing, according to Scott's analysis of the latest data, but he said 80 percent of new listings are still selling within the first 30 days in price ranges where 90 percent of the sales activity is taking place. That, he said, contrasts with a "healthy" (more balanced) market when only around 30 percent of listings are selling in the first 30 days.

New listing activity improved compared to a year ago with 12,759 sellers putting their home or condo on the market. That's a 10.2 percent improvement from twelve months ago and marks the largest number of new listings added in a single month since March 2010 when brokers replenished supply with 12,994 new listings. Last month's additions brought the number of total active listings up to 16,838 properties. A year ago, across the 23 counties in the report, buyers could choose from 20,333 listings.

In King County, which accounted for about 40 percent of the sales, the median price surged 13.3 percent from a year ago, rising from \$450,000 to \$510,000. For single family homes only (excluding condos), prices in King County rose 14.7 percent, from \$500,000 to \$573,522. Condo prices skyrocketed nearly 22 percent compared to a year ago. The median sales price last month was \$350,000; twelve months ago the buyer of a median-priced condo in King County paid \$287,000.

Buyers are seeing rapidly-rising prices as a double-edged sword, according to George Moorhead, the designated broker at Bentley Properties. "On one hand, the market is a fabulous investment and a way to secure monthly housing costs," he explained, but added, "On the other side, prices and scarce inventory are getting out of hand. For the first time, we're hearing a common theme," he stated. Buyers are willing to make "huge sacrifices," such as significant concessions on a home's square footage, in order to be closer to jobs and good schools, he said, and they're foregoing once-desired "core features" for their family's home.

Market Activity Summary for June 2016						
Single Family Homes & Condos	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
King	4,767	3,889	4,328	3,800	\$606,172	\$510,000
Snohomish	1,927	1,746	1,862	1,493	\$410,047	\$372,150
Pierce	2,015	2,486	2,055	1,558	\$309,870	\$280,000
Total	8,709	8,121	8,245	6,851	\$442,030	\$387,383

WA home prices rising fastest in the nation

Washington home prices are growing at a rate of nearly double the national average. Washington home prices in April rose 10.6 percent compared with a year ago. Data firm CoreLogic says that's the biggest jump in any state for the third month in a row. The median cost of all

sold homes across the state hit \$307,658 in April, according to The Seattle Times. That's a 37-percent increase from four years ago, according to Zillow data.

Breakouts! – Residential SOLD Average

Area (Area Code)	June 2016 (King/Snohomish/Piece County) SOLD Average		
	Average \$ June 2016	Average \$ June 2015	2016 VS 2015
Auburn-Federal Way (110-310)	\$ 349,806	\$ 315,222	10.97%
Kent-Maple Valley (320-340)	\$ 412,008	\$ 370,710	11.14%
West Seattle (140)	\$ 589,747	\$ 519,229	13.58%
SODO-Beacon Hill (380-385)	\$ 530,130	\$ 463,832	14.29%
E.lake-Madison-Capital Hill (390)	\$ 1,048,539	\$ 996,742	5.20%
Queen Anne-Magnolia (700)	\$ 1,082,489	\$1,071,013	1.07%
*Belltown-Downtown Seattle(701)	\$ 636,197	\$ 614,245	3.57%
Ballard-Greenlake (705)	\$ 728,329	\$ 653,246	11.49%
North Seattle (710)	\$ 785,975	\$ 666,455	17.93%
Shoreline/Richmond Beach (715)	\$ 532,034	\$ 544,397	-2.27%
Bellevue Downtown (520)	\$ 2,164,809	\$2,174,317	-0.44%
Mercer Island (510)	\$ 1,593,944	\$1,663,462	-4.18%
Bellevue South-Newcastle (500)	\$ 928,693	\$ 798,568	16.29%
Renton Highlands-Downtown (350)	\$ 526,229	\$ 461,968	13.91%
Microsoft-Bellevue East (530)	\$ 804,248	\$ 793,651	1.34%
Kirkland Downtown (560)	\$ 987,106	\$ 933,347	5.76%
Redmond (550)	\$ 730,950	\$ 704,558	3.75%
Issaquah-Sammamish (540)	\$ 756,314	\$ 658,576	14.84%
Juanita-Bothell-Woodinville (600)	\$ 703,222	\$ 624,474	12.61%
Bothell North-Mill Creek (610)	\$ 564,727	\$ 490,138	15.22%
Edmonds-Lynnwood (730)	\$ 525,699	\$ 475,393	10.58%
Everett-Mukilteo-Snohomish (740)	\$ 428,552	\$ 389,623	9.99%

*Condominium SOLD Average

When are people with Foreclosures and Short Sales eligible to borrow again?

For people with foreclosures or short sales on their record, the waiting period depends on if there are "Extenuating Circumstances" EC (death in family, company relocation/shut down - about 5/10% of cases) or if the foreclosure or short sale was due to "Financial Mismanagement" FM.

- Jumbo loans, Foreclosure: 7 years (FM and EC)
- Jumbo loans, Short Sale: 7 years FM, only 4 years EC
- Fannie/Freddie, Foreclosure: 7 years FM, 3 years EC
- Fannie/Freddie, Short Sale: 4 years FM, 2 years EC
- FHA Foreclosure/Short Sale: 3 years (FM and EC)

A large number of the foreclosures were in 2009 and 2010, so those people will be eligible to borrow soon.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
July 12, 2016	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	3.250%	2.750%	2.500%	2.750%
Fees & Points	*All loans are with a one point origination fee.			
APR	3.375%	3.869%	2.721%	2.871%

** Owner Occupied /Single Family Residence
740 credit score and 20% down payment for conventional
640 credit score and 3.50% down payment for FHA

